DOCUMENT RESUME

ED 166 806 EA 011 313

TITLE	Understanding Financial Support of Public Schools (IV). 1978-79.
INSTITUTION	New York State Education Dept., Albany. Bureau of Educational Finance Research.
PUB DATE	Nov 78
NOTE	80p.; Not available in paper copy due to light print of original document
EDRS PRICE	MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS	*Data Analysis; Elementary Secondary Education; Expenditure Per Student; Operating Expenses; Resource Allocations; *State Aid
IDENTIFIERS	*New York State Public Schools

ABSTRACT

This report is the fourth edition that has appeared under the title, "Understanding Financial Support of Public Schools." It explains legislation enacted by New York State providing financial aid to schools during 1978-79. The report was designed to help the interested citizen, the school board member, and members of civic organizations understand distribution of state aid to the school districts of New York State. It covers operating aid, which accounts for approximately 75 percent of the estimated total general aid to be paid in 1978-79. Also covered are transportation (9%), buildings (7%), and Boards of Cooperative Educational Services (4%). The appendix lists other aids available to some districts and provides a section on federal aid with a table of program appropriations for 1977-78. A glossary at the end may prove useful in understanding the subject matter covered. (Author/LD)

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UNDERSTANDING FINANCIAL SUPPORT OF PUBLIC SCHOOLS
(IV)

1978-79

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Bureau of Educational Finance Research
Albany, New York 12230

EA 011 313

November 1978

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FOREWORD

This report is the fourth edition that has appeared under the title, "Understanding Financial Support of Public Schools."

It summarizes the provisions by which New York State provides financial aid to schools in 1978-79. The report was prepared by Fred Bentley, Associate in Education Finance Research, in the Bureau of Educational Finance Research.

The report was designed to help the interested citizen, the school board member, and members of civic organizations to understand the distribution of State aid to the school districts of New York State in these days when the law is under challenge. It is not a technical guide to be used in applying for State aid. The reader should carefully refer to the glossary in order to be sure he or she understands terms in their correct technical meaning.

At the time of publication, $6 million had been appropriated in the 1978-79 State budget for an improved program of aid for seriously handicapped children in public schools, but no provisions had been adopted for distributing such aid. If a formula is adopted, a supplement will be inserted in copies of this publication thereafter.

Robert E. Lamitie
Administrator
Educational Finance
Research Services

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I

INTRODUCTION

After four years the State is returning to an aid ratio formula for allocating aid to the public schools for operating purposes. Aid is generated in inverse proportion to a district's amount of wealth: low wealth districts receive a relatively high amount of aid; high wealth districts, a relatively low amount of aid.

The new formula has two tiers: the first tier ceiling is $1,450 per pupil, with the local share 51%, State share 49%, for the district of average wealth. It is not necessary for the district to spend the $1,450 in order to share in this amount--

$$\left(1.000 - \left[\frac{\text{district FV/RTAPU*}}{\text{State average FV/TAPU}} \times .51\right]\right) = \text{Aid Ratio}$$

The second tier of the formula is available to those districts spending in excess of $1,450 per pupil. The State will share up to $50 above the $1,450, or the district's expenditure anywhere between $1,450 and $1,500. The second tier amount is shared 20% for the district of average wealth with the local share at 80%--

$$\left(1.000 - \left[\frac{\text{district FV/RTAPU}}{\text{State average FV/TAPU}} \times .80\right]\right) = \text{Aid Ratio}$$

In both tiers of the formula, districts with less than average wealth receive more aid; districts with greater than average wealth receive less aid.

*For explanation, see Glossary of Terms beginning on page 54.

The new law continues the guarantee of minimum aid, often referred to as Flat Grant. For all districts over $101,000 FV/RTAPU, $360 per pupil is guaranteed. It also continues the taper flat grant formula: [.001 ($101,000 FV/RTAPU - FV/RTAPU of the district) + $360], an alternative aid computation.

This report is the fourth edition that has appeared under the title, "Understanding Financial Support of Public Schools."

The publication is designed to provide a simplified version of the legislation which was enacted by the 1978 State Legislature and which replaces the foundation type formula for operating aids. The report contains a glossary of terms, which may prove useful in understanding the subject matter covered in the explanation of the methods used in computing public school aid. The report covers the components of operating aid: pupils in adjusted average daily attendance, pupils with special educational needs, additional secondary pupils, additional handicapped pupils, summer school pupils, and evening school pupils. These components account for approximately 75% of the estimated total general aid to be paid in 1978-79. (See Chapter XIV , Distribution of State Aid).

The next largest segment of general aid is transportation and this accounts for approximately 9% of the total.

Building aid accounts for another 7% of the total and Boards of Cooperative Educational Services account for approximately 4% of the total.

These four segments of general aid account for approximately 95% of the total.

The Appendix contains a listing of other aids available to some districts and a section on Federal aid with a table of program appropriations for 1977-78.

The report was designed to help the average school district voter, the new school board member, the PTA participant, and civic organizations in understanding the operation of State aid distribution to the public school districts of New York State.

It is not a detailed technical guide to be used in applying for State aid. For detailed information relative to the preparation of claims for aid payments, school district officials should refer all questions to New York State Education Department, State Aided Programs Unit, or other referenced offices in the report.

II

OPERATING EXPENSE AID

Two Basic Concepts

1. Operating expenditures are for

   a. Superintendents
   b. Teachers
   c. Guidance Counselors
   d. School Nurses
   e. Janitors
   f. Textbooks
   g. Supplies, etc.

2. Money is provided by

   a. The local school district
   b. The State
   c. The Federal Government

Sharing the Costs -- Why?

1. Article XI, Section 1 of the Constitution of the State of New York provides:

   > The Legislature shall provide for the maintenance and support of a system of free public schools wherein all of the children of this State may be educated.

   The State therefore made it a matter of policy to set minimum standards to ensure that every boy and girl shall have the opportunity for a good education.

2. The local school board determines how far beyond these standards it wishes to go, consistent with the wishes of the people it represents.

Sharing the Costs -- How?

1. By local taxes -- primarily the real property tax.

2. By State taxes -- personal income, business income, consumer sales, and use taxes.

What Costs Are Shared?

Operating costs, such as teachers' salaries, supplies, etc., required in the regular day-to-day kindergarten through twelfth grade program, are shared.

BUT

The State shares only in the $1,450 ceiling per pupil amount regardless of the expenditure of the district. The State will also share in up to $50 above the $1,450, or the district's expenditure anywhere between $1,450 and $1,500. These are called the State support levels or ceiling amounts. These amounts are established by the State Legislature. Each year the legislature reviews these figures and if an increase is indicated due to the rising costs of education, and with consideration of the availability of funds, new limits could be enacted.

Sharing the Costs -- Method?

The principle of sharing in the costs of educating every boy and girl in attendance in each school district of the State is commonly referred to as the equalization principle.

SO

a. The district levies local taxes to cover the amount needed, after consideration of State and Federal revenues, to balance the yearly budget.

b. The State pays a relatively high percentage of the ceiling amounts in poor districts and a relatively low percentage in wealthy districts.

What Is Wealth?

How can it be said that some districts are wealthier than others?

1. The local share comes largely from a tax on real property represented by:

   a. factories
   b. houses
   c. business buildings
   d. land

2. The full value of real property varies from district to district.

3. The number of children to be educated varies from district to district.

4. The full value of real property divided by the resident pupils of the district is used as a measure of wealth per pupil.

NOW

Chart 1 shows how the State Aid Formula adjusts for variations in local wealth.

State Support Level

Observe that:

1. Property (full) value per pupil is shown on the horizontal line, $0 to $120,000.

2. The State Support Level is shown on the vertical line, $0 to $1,500 per pupil.

3. Any point on the solid line (sloping downward from left to right) indicates the State Support Level corresponding to a given amount of property value per child.

THUS

1. A district with $20,000 in full value behind each pupil has a State Support Level of approximately $1,238 per child.

2. Similarly, a district with $60,000 in full property value behind each pupil has a State Support Level of approximately $708 per child.

CHART 1

RELATIONSHIP BETWEEN STATE AID RATIO AND FULL VALUATION OF TAXABLE PROPERTY PER PUPIL

(ASSUMING $15,00 EXPENDITURE PER. PUPIL)

(LINE FROM #1500 TO 0 PURE EQUALIZATION-
DEVIATIONS FROM THIS LINE DUE TO OPERATION OF THE FORMULA)

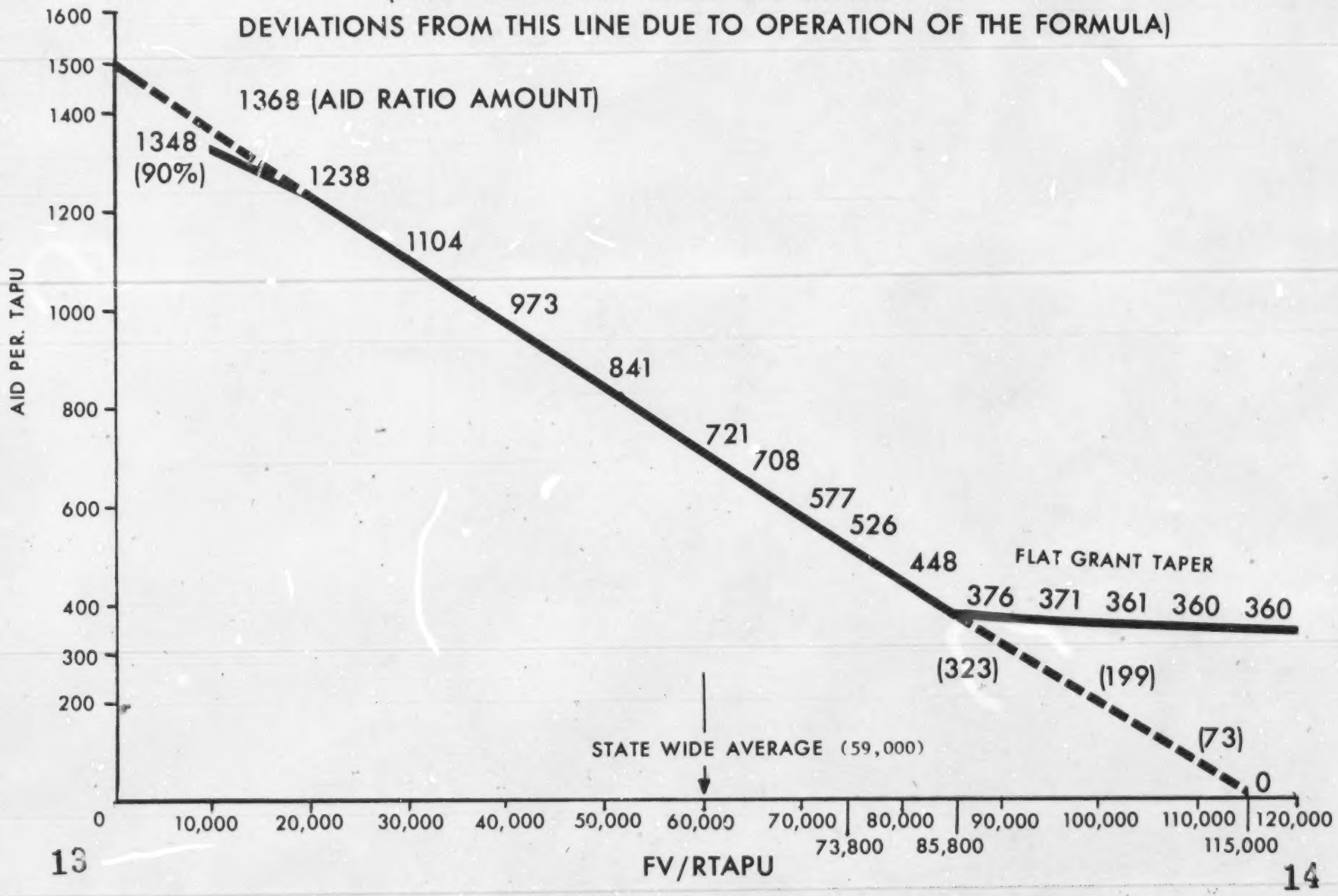


CHART 1A

TIER 1 AID

RELATIONSHIP BETWEEN STATE AID RATIO AND FULL VALUATION OF TAXABLE PROPERTY PER PUPIL

(IF EQUALIZATION WERE APPLIED COMPLETELY)

FOR ALL DISTRICTS TIER 1 AID-$1,450 CEILING

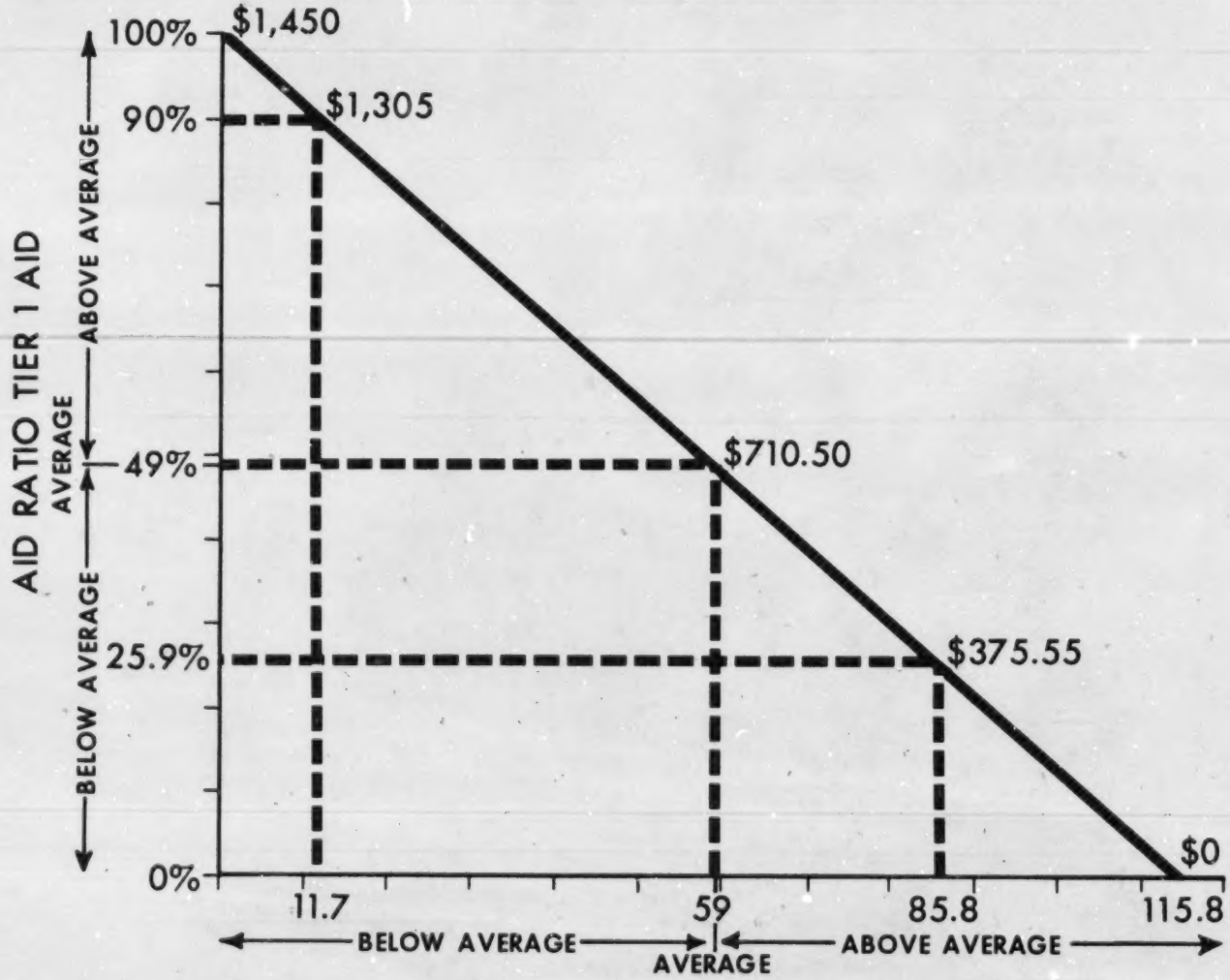


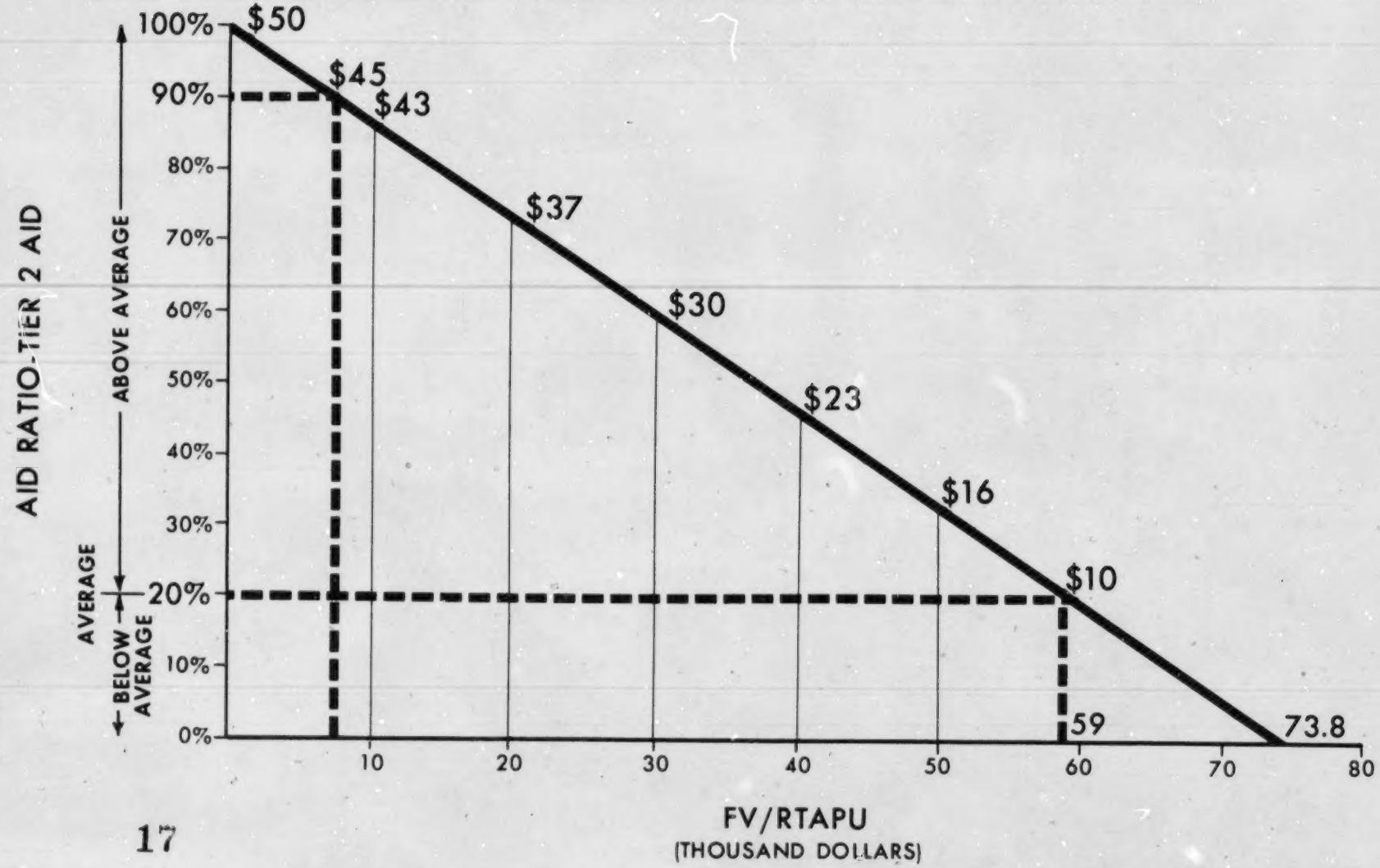
CHART 1B

TIER 2 AID

RELATIONSHIP BETWEEN STATE AID RATIO AND FULL VALUATION OF TAXABLE PROPERTY PER PUPIL

(IF EQUALIZATION WERE APPLIED COMPLETELY)

FOR DISTRICTS SPENDING FULL $50 ABOVE $1,450 CEILING FOR TIER 1 AID



HENCE

1. A district with $20,000 full value per child receives $1,238 per child, and if spending $1,500, must raise the difference, or $262 per child, from local taxes. Since the property value per child is $20,000, the tax rate per child is $13.10 per $1,000 of full value[($262 ÷ $20,000)x 1000]

2. What would be the tax rate in a district spending $1,500 per child with a full value per child of $40,000?_____

3. Are the rates approximately the same?_____

4. The rates would be even closer if we were comparing rates from one aid ratio on $1,450 rather than using one aid ratio for the $1,450 and another aid ratio for the additional $50.

Observe that:

1. The State Support Level increases as the district full value per pupil decreases.

2. The State Support Level decreases as the district full value per pupil increases.

3. The State aid formula operates in such a way that all districts with the same level of expenditures, within the ceiling sharing amounts, would have approximately the same local tax rate.

NOW

1. At what level would there be no State aid?_____

2. What part of the cost of education would be paid by the State in a district with no wealth?_____

BUT

It doesn't work quite that way

BECAUSE

1. No district is deprived entirely of State aid because it is wealthy. The least any district receives in State aid is $360 per pupil unit. This is commonly referred to as operating expense "flat grant," or "tax sharing." (see Chart 1).

NOW

A limitation on State aid is that:

THE STATE SHARES EXPENDITURES
WITH LOCAL DISTRICTS

TO

A Maximum of $1,500 Per Pupil in TAPU

BUT

It is estimated that:

Over 55 % of the districts spent more than $1,500 per TAPU in 1977-78.

There are examples of estimated expenditures at various property (full value) levels in 1977-78. (Chart 2).

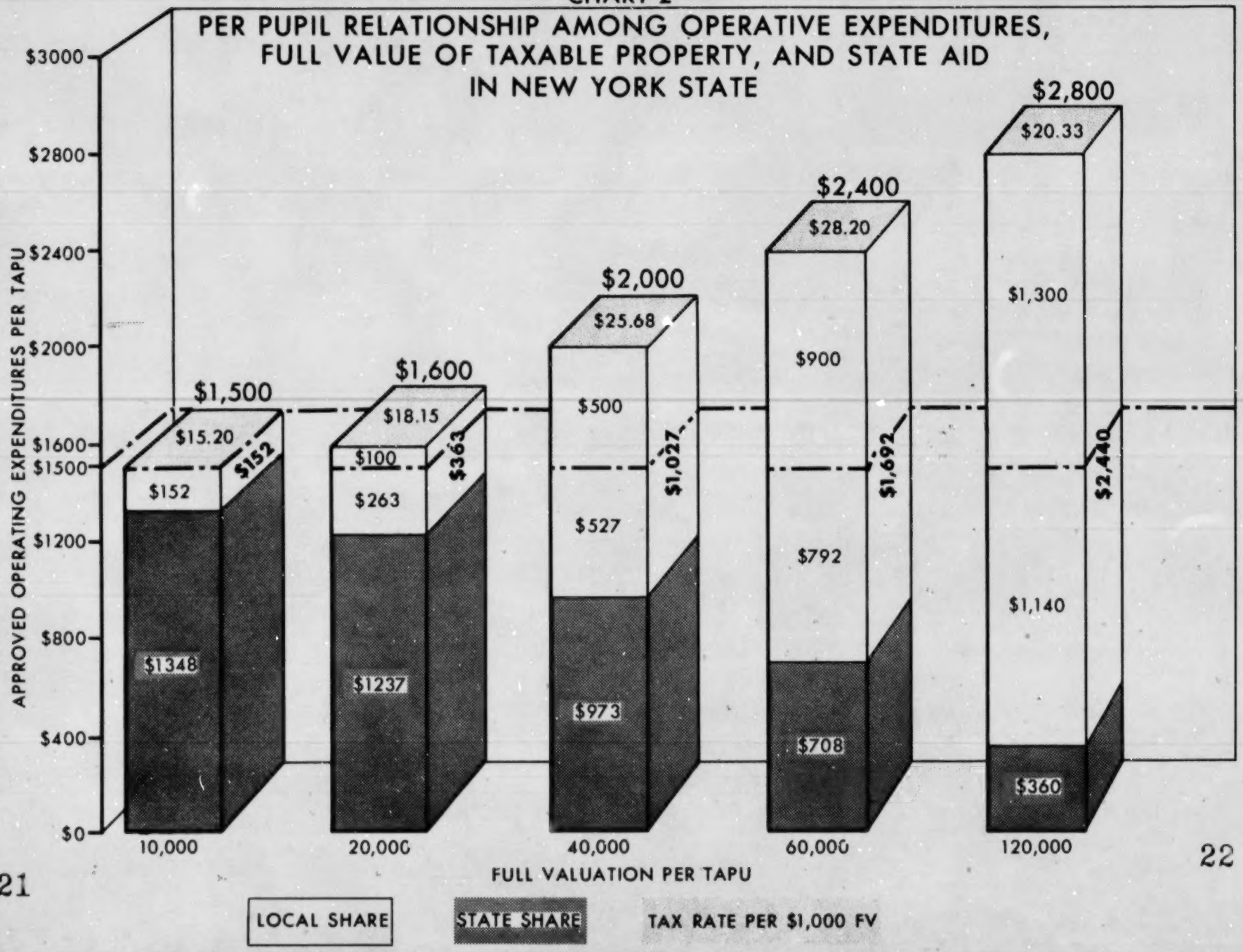
Observe that:

1. The per pupil expenditures of districts is measured vertically.
2. The property (full value) level per pupil is measured horizontally.
3. Each estimated expenditure is separated to show the amount of State aid and the amount financed locally.

NOTE THAT

CHART 2

PER PUPIL RELATIONSHIP AMONG OPERATIVE EXPENDITURES, FULL VALUE OF TAXABLE PROPERTY, AND STATE AID IN NEW YORK STATE



1. All districts above $101,000 full value per pupil receive $360 per pupil in State aid. These are the so-called "flat grant districts."

2. The remaining districts receive more than $360 per pupil in State aid, and the amount which they receive is inversely related to their wealth. These are the so-called "equalization districts."

3. All districts raise the balance of their expenditures through local taxation, mainly on property.

Observe from Chart 2 that:

1. The expenditure level of the lower wealth districts is based mostly upon State aid.

2. The high expenditure level of the higher wealth districts is based mostly upon local tax resources.

3. Tax rates on full value for the local share increase through the district with $60,000 FV/RTAPU.

4. The tax rate for the district with $120,000 FV/RTAPU is less than the tax rate for the district with $40,000 FV/RTAPU; however, the local amount for the richer district is more than double the poorer district.

A

PUPILS IN ADJUSTED AVERAGE DAILY ATTENDANCE

Who Are Pupils in Adjusted Average Daily Attendance?

The average number of pupils present on each regular school day; an average determined by dividing the total number of attendance days of all pupils by the number of days school was in session.

How Does It Work?

A. The adjustment is made by applying 0.50 weight to half-day kindergarten; full day kindergarten and grades one through twelve are weighted at 1.00.

B. EXAMPLE:

K-12

Day	Enrollment	Attendance
1	1,000	987
2	1,000	991
3	1,000	990
4	1,000	985
5	1,000	983
		4,936 ÷ 5 = 987.20 x 1.0 = 987.20

1/2 K

Day	Enrollment	Attendance
1	50	47
2	50	45
3	50	49
4	50	44
5	50	46
		231 ÷ 5 = 46.20 x 0.50 = 23.10

Adjusted Average Daily Attendance = 987.20 + 23.10 = 1,010.30

B

PUPILS WITH SPECIAL EDUCATIONAL NEEDS

Who Are Pupils With Special Educational Needs?

The number of pupils with special educational needs attending the public schools of the district is determined by the percentage of pupils below minimum competence as measured by the third and sixth grade pupil evaluation program (PEP) tests (fall of 1974 and fall of 1975 average in reading and mathematics). This percentage is multiplied by the district's adjusted ADA to produce the number of pupils for weighting.

How Does It Work?

A. Multiply the district's adjusted ADA by the percentage carried to one place without rounding of third and sixth grade children in the district scoring below level four on the reading and math tests to obtain the eligible pupils for weighting and then multiply by the 0.25 weighting for aid.

B. EXAMPLE:

		SCHOOL YEAR 1974-75			SCHOOL YEAR 1975-76		
		Reading	Math	Total	Reading	Math	Total
Number of Pupils Scoring Below Level Four of PEP Test	3rd Grade	30	25	55 (a)	25	30	55 (e)
	6th Grade	40	50	90 (b)	30	40	70 (f)
Number of Pupils Taking Each PEP Test	3rd Grade	200	200	400 (c)	180	180	360 (g)
	6th Grade	150	150	300 (d)	140	140	280 (h)

$$\frac{55 + 90 + 55 + 70}{a + b + e + f} + \frac{400 + 300 + 360 + 280}{c + d + g + h} = \frac{.201}{3 \text{ places without rounding}} \quad \text{PEP \% = 20.1}$$

Assume district adjusted ADA = 2,000:

2,000 x .201 = 402 eligible pupils x 0.25 weight = 100.50 additional pupil units for pupils with special educational needs

C

PUPILS WITH HANDICAPPING CONDITIONS

Who Are Pupils With Handicapping Conditions?

The number of pupils who are trainable mentally retarded, educable mentally retarded, visually impaired, hearing impaired, physically handicapped, severely speech impaired, or emotionally disturbed, as defined by the Commissioner and who attend district operated special educational programs which meet criteria established by the Commissioner.

How Does It Work?

A. Pupils in half-day kindergarten weighted at 0.50, kindergarten through grade twelve weighted at 1.0.

B. EXAMPLE:

	Half-day Kindergarten	Kindergarten Through Grade Twelve
Handicapped Count ADA	12	89
Weighting	x 0.5	x 1.0
TOTALS	6.0	89.0

6.0 + 89.0 = 95.0 additional pupil units for pupils with handicapping conditions

D

SECONDARY SCHOOL PUPILS

Who Are Secondary Pupils for Aid?

The number of pupils who are in grades seven through twelve, not otherwise weighted, will receive an additional weight of 0.25.

The number of pupils who are in grades seven through twelve and who are designated as PSEN pupils will receive an additional secondary weighting of 0.15.

How Does It Work?

EXAMPLE:

7-12 ADA	= 1,000
7-12 Handicapped	= 20
PSEN Score	= .30 or 30%
7-12 PSEN Pupils	= 1,000 x .30 = 300 (PSEN unweighted)
7-12 Regular Pupils	= 1,000 - 300 (PSEN) - 20 (Handicapped) = 680
7-12 Regular Pupils	= 680 x .25 = 170 add'l. secondary
7-12 PSEN Pupils	= 300 x .15 = 45 add'l. secondary due PSEN
Total Additional Secondary Pupil Units	= 215 pupils (170 + 45)

E

SUMMER SESSION PUPILS

Who Are Summer Session Pupils?

They are pupils who attend approved programs of instruction operated by the district during the months of July and August in accordance with the Commissioner's Regulations - weight 0.12. (Full weighting applicable only if student attends 2 or more periods).

How Does It Work?

EXAMPLE:

1. 100 students in ADA - 1 period = 100 x 0.5 = 50

2. 200 students in ADA - 2 or more periods = 200 x 1.0 = 200

250

x0.12

30.00 additional pupil units

F

EVENING SESSION PUPILS

Who Are Evening Session Pupils?

They are pupils who have not obtained a high school diploma or a high school equivalency diploma who are in attendance during the evening hours in a program approved by the Commissioner leading to a diploma or equivalency diploma. These programs to be in sessions which are the equivalent in length of a half-day session - weight 0.50. (One-half weighting for pupils in class, 90 - 165 minutes.)

How Does It Work?

EXAMPLE:

1. 100 students in ADA - 90 minutes of classes = 100 x 0.5 = 50

2. 200 students in ADA - 165 minutes or more of classes = 200 x 1.0 = 200

250
x0.50
125.00 additional pupil units

G

GROWTH AID

What Is Provisional Growth?

1. The district estimates the number of pupils who will be in attendance for the current year.

2. It compares this total with the number of pupils in attendance in the base year.

3. The number of pupils in excess of the total for the base year is the growth in pupils for the current year.

SO

Education law states that: for districts that are experiencing growth in attendance, additional operating expenses aid will be available in the current year. This additional aid is called growth aid.

What Is Growth Aid?

It may be recalled that operating aids are computed on the basis of the conditions prevailing in the base school year. Growth aid is therefore a device which permits districts to use the increased number of pupils in the current year for computing additional aid. The following example illustrates:

How Is Provisional Growth Aid Computed?

1. Pupils in current year (1978-79) - 1,000
   Pupils in base year (1977-78) - 900
   Growth in Pupils - 100

   Percent increase = $\frac{100}{900}$ = 11.1 percent increase from base year

2. This percent increase is an adjustment applied against the operating aids as follows: assume: TAPU = 1000, aid ratio Tier 1 = .655, aid ratio Tier 2 = .459, and district AOE/TAPU = $1,500

   $1,450 x .655 x 1000 = $ 949,750 Tier 1 Aid

   50 x .459 x 1000 = 22,950 Tier 2 Aid

   $ 972,700 Operating Aids

   THEREFORE:

   $972,700 operating aids x .111 (growth percent) = $107,969.70 growth aid

TAPU	=	1,000
Tier 1 Aid Ratio	=	.655
Tier 2 Aid Ratio	=	.459
AOE/TAPU	=	$1,500

H

COMPUTATION OF FORMULA OPERATING AIDS

The following pages contain sample districts and the necessary data for the computation of their operating aid. Each district has two pages, the first page containing the necessary data for computing Tier 1, Tier 2, and growth aid, with the limitations applicable to each district, and the second page contains a breakdown of the operating aid by components.

1978-79 STATE AID

Operating Aid Components (with Mininums and Maximums)

Pupil Count for Wealth	RTAPU Based on 1976-77 Combined Adjusted Current Law Resident Average Daily Attendance
Pupil Count for Payment	TAPU Based on 1977-78 Combined Adjusted Average Daily Attendance
Pupil Count for Expenditure Level	Same as the Pupil Count for Payment
Pupils in SH Numerator	TAPU Less Secondary Based on 1977-78 Combined Adjusted ADA; Growth Modified
Pupils in SH Denominator	TAPU Less Secondary Based on 1976-77 Combined Adjusted ADA; Growth Modified
Save Harmless Decimal	Save Harmless Numerator ÷ Save Harmless Denominator

		Wealth TAPU	Aid TAPU	SH Num.	SH Den.
Basic Pupil Count:					
	1/2 K	.50	.50	.50	.50
	Full K-6	1.00	1.00	1.00	1.00
	7-12	1.00	1.00	1.00	1.00
	Sect. 4402	1.00	1.00	1.00	1.00
Additional Weightings					
District Educated Handicapped	+ 4402	1.00	1.00	1.00	1.00
Special Educational Needs	1/2 K-12	.25	.25	.25	.25
Additional Secondary	Non-PEP Secondary	.25	.25	----	----
	PEP Secondary	.15	.15	----	----
Summer School		----	.12	.12	.12
Evening School		----	.50	.50	.50
Dual Enrolled Added		----	Included	Included	Included
BOCES Severely Handicapped		Included	----	----	----
Big 5 Severely Handicapped		Included	----	----	----

Special Educational Needs	Composite percentage based on pupils scoring below minimum competency on 1974 and 1975 Grades 3 & 6 PEP Tests in Reading and Math
Full Value	1976 Full Value
Formula Type	The higher of a 2-tiered shared cost aid ratio formula or flat grant + a taper-- Tier 1 plus Tier 2: Tier 1 = $1450 [1 - .51 (district full value per RTAPU/59,000)] Tier 2 = (ceiling - $1450) [1 - .80 (dist. full value per RTAPU/59,000)] ceiling = the lesser of $1500 or approved operating expense/RTAPU OR Flat grant plus taper: $360 + .001 (101,000 - district full value per RTAPU)

Operating Aids Base	1977-78 Operating Aid Payable
Methods used in Limiting	
Per Pupil Percent Minimum	100% of Operating Aids Base times the Save Harmless Decimal
Total Dollar (Gross) Minimum	100% of Operating Aids Base The greater of the minimums becomes the selected minimum
Per Pupil Percent Maximum	Scaled between 105% and 108.25, by increments of .01%, as computed by the formula: 105% + [(75,000 - district FV/RTAPU)/2,000,000] The increment cannot be less than zero; this percent is applied to the operating aids base times the save harmless decimal
Base + Percent Difference Max	50% of the difference: (1978-79 proposed formula and growth minus 1977-78 aid) The amount of the percent difference is added to the 1977-78 aid to compute the maximum aid The greater of the maximums becomes the selected maximum

NOTE: Districts selecting "50% of the difference option" are subject to the 110% limit.

District A:

AOE/TAPU - $ 1,289
Full Valuation/RTAPU - $37,919
Statewide Average - $59,000
Growth Indices 1977-78 - .992
1978-79 - .992
Save Harmless Numerator - 1,444 (1977-78 TAPU without additional secondary weight)
Save Harmless Denominator- 1,454 (1976-77 TAPU without additional secondary weight)
Save Harmless Decimal - .99312 (1,444 ÷ 1,454)
Average Fall 1974 + Fall 1975 PEP % Grades 3 & 6 - .257 or 25.7%
1st Tier Aid Ratio - .673= [1.000 - (37,919 ÷ 59,000 x .51)]
2nd Tier Aid Ratio - .487= [1.000 - (37,919 ÷ 59,000 x .80)]
TAPU for Aid - 1,584
1st Tier Aid = $1,450 x .673 x 1,584 = $1,545,746
2nd Tier Aid = Not applicable - district not spending above $1,450
Growth Aid = Not applicable - no growth shown
Formula Aid = $1,545,746
Operating Aids Base = $1,434,115 (1977-78 Aid Payable)
Gross Minimum Aid (Dollar Save Harmless) = $1,434,115 (1977-78 Aid)
Per Pupil Minimum Aid (Per Pupil Save Harmless) = $1,434,115 x .99312 (Per Pupil Save Harmless Decimal) = $1,424,248
Per Pupil Maximum Aid = $1,424,248 x [1.05 + $\frac{75,000 - 37,919}{2,000,000}$] = 1.0685 x 1,424,248 = $1,521,809
50% of Increase in Aid = $1,545,746 (1978-79 aid) - 1,434,115 (1977-78 aid) = 111,631 x .5 = 55,816 + 1,434,115 = $1,489,931
Maximum 110% Limit = $1,434,115 x 1.10 = $1,577,527

Applicable Aid = $1,521,809 per pupil maximum aid (this is more than the 50% increase and less than the 110% limit)

District A: (By Aid Components)

Pupil Count for TAPU

Combined Adjusted ADA	=	1,353
PSEN	=	87
Additional Secondary	=	140
Additional Handicapped	=	4
Summer School	=	0
Evening School	=	0
TAPU	=	1,584

Tier 1 Aid (per pupil):

$1,450 x .673	=	$ 975.85
ADA Aid = 1,353 x 975.85	=	$1,320,325.05
PSEN Aid = 87 x 975.85	=	$ 84,898.95
Additional Secondary Aid = 140 x 975.85	=	$ 136,619.00
Additional Handicapped Aid = 4 x 975.85	=	$ 3,903.40
1st Tier Total Formula Aid	=	$1,545,746.40

Tier 2 Aid (per pupil):

Not applicable -- spending under $1,450

District B:

AOE/TAPU - $ 1,660
FV/RTAPU - $56,905
Statewide Average - $59,000
Growth Indices 1977-78 - 1.000
1978-79 - .957
Save Harmless Numerator - 7,184
Save Harmless Denominator- 7,488
Save Harmless Decimal - .95940 (7,184 ÷ 7,488)
Average Fall 1974 + Fall 1975 PEP % Grades 3 & 6 - .139 (13.9%)
1st Tier Aid Ratio - .509 = [1.000 - (56,905 ÷ 59,000 x .51)]
2nd Tier Aid Ratio - .229 = [1.000 - (56,905 ÷ 59,000 x .80)]
TAPU for Aid - 8,010
1st Tier Aid = $1,450 x .509 x 8,010 = $5,911,780
2nd Tier Aid = 50 x .229 x 8,010 = 91,715
Growth Aid = Not applicable - no growth shown
Formula Aid = 5,911,780 + 91,715 = $6,003,495
Operating Aids Base = $6,130,474 (1977-78 Aid Payable)
Gross Minimum Aid = $6,130,474
Per Pupil Minimum Aid = 6,130,474 x .95940 (Per Pupil Save Harmless Decimal) = $5,881,577
Per Pupil Maximum Aid = Not applicable since formula generated less money than gross minimum
50% of Increase in Aid = Not applicable since formula generated less money than gross minimum
Maximum 110% Limit = Not applicable since formula generated less money than gross minimum

Applicable Aid = $6,130,474 (Gross Minimum - since it is greater than per pupil minimum)

District B: (By Aid Components)

Pupil Count for TAPU

Combined Adjusted ADA	=	6,865
PSEN	=	239
Additional Secondary	=	826
Additional Handicapped	=	55
Summer School	=	25
Evening School	=	0
TAPU	=	8,010

Tier 1 Aid (per pupil):

$1,450 x .509	= $	738.05
ADA Aid = 6,865 x 738.05	= $	5,066,713.25
PSEN Aid = 239 x 738.05	= $	176,393.95
Additional Secondary Aid = 826 x 738.05	= $	609,629.30
Additional Handicapped Aid = 55 x 738.05	= $	40,592.75
Summer School Aid = 25 x 738.05	= $	18,451.25
1st Tier Total Formula Aid	= $	5,911,780.50

Tier 2 Aid (per pupil):

$50 x .229	= $	11.45
ADA Aid = 6,865 x 11.45	= $	78,604,25
PSEN Aid = 239 x 11.45	= $	2,736.55
Additional Secondary Aid = 826 x 11.45	= $	9,457.70
Additional Handicapped Aid = 55 x 11.45	= $	629.75
Summer School Aid = 25 x 11.45	= $	286.25
2nd Tier Total Formula Aid	= $	91,714.50

Tier 1 Aid	= $	5,911,780.50
Tier 2 Aid	= $	91,714.50
Total Aid	= $	6,003,495.00

District C:

AOE/TAPU - $ 1,776
FV/RTAPU - $ 46,089
Statewide Average - $ 59,000
Growth Indices 1977-78 - .970
1978-79 - .985
Save Harmless Numerator - 5,000
Save Harmless Denominator - 5,140
Save Harmless Decimal - .97276 ((5,000 ÷ 5,140)
Average Fall 1974 + Fall 1975 PEP % Grades 3 & 6 - .128 (12.8%)
1st Tier Aid Ratio - .602
2nd Tier Aid Ratio - .376
TAPU for Aid - 5,631
1st Tier Aid = $1,450 x .602 x 5,631 = $4,915,300
2nd Tier Aid = 50 x .376 x 5,631 = $ 105,863
Growth Aid = Not applicable - no growth shown
Formula Aid = $4,915,300 + 105,863 = $5,021,163
Operating Aids Base = $4,562,819 (1977-78 Aid Payable)
Gross Minimum Aid = $4,562,819
Per Pupil Minimum Aid= $4,562,819 x .97276 (Save Harmless decimal) = $4,438,528
Per Pupil Maximum Aid= $4,438,528 x [1.05 + $\frac{(75,000 - 46,089)}{2,000,000}$] = 1.0644 x 4,438,528 = $4,724,369
50% of Increase in Aid = 5,021,163 (1978-79 aid) - 4,562,819 (1977-78 aid) = 458,344 x .5
= 229,172 + 4,562,819 = $4,791,991
110% Maximum Limit = 4,562,819 x 1.10 = $5,019,101

Applicable Aid = $4,791,991 (50% of increase in aid) since per pupil maximum is less than the 50% increase in aid - district is guaranteed at least the 50% increase in aid, not to exceed 110% maximum limit

District C: (By Aid Components)

Pupil Count for TAPU

Combined Adjusted ADA	=	4,744
PSEN	=	152
Additional Secondary	=	631
Additional Handicapped	=	47
Summer School	=	57
Evening School	=	0
TAPU	=	5,631

Tier 1 Aid (per pupil):

1,450 x .602	= $	872.90
ADA Aid = 872.90 x 4,744	= $	4,141,037.60
PSEN Aid = 872.90 x 152	= $	132,580.80
Additional Secondary Aid = 872.90 x 631	= $	550,799.90
Additional Handicapped Aid = 872.90 x 47	= $	41,026.30
Summer School Aid = 872.90 x 57	= $	49,755.30
1st Tier Total Formula Aid	= $	4,915,299.90

Tier 2 Aid (per pupil):

$50 x .376	= $	18.80
ADA Aid = 18.80 x 4,744	= $	89,187.20
PSEN Aid = 18.80 x 152	= $	2,857.60
Additional Secondary Aid = 18.80 x 631	= $	11,862.80
Additional Handicapped Aid = 18.80 x 47	= $	883.60
Summer School Aid = 18.80 x 57	= $	1,071.60
2nd Tier Total Formula Aid	= $	105,862.80

Tier 1 Aid	= $	4,915,299.90
Tier 2 Aid	= $	105,862.80
Total Aid	= $	5,021,162.70

District D:

AOE/TAPU - $ 1,730
FV/RTAPU - $40,081
Statewide Average - $59,000
Growth Indices 1977-78 - 1.024
1978-79 - 1.024
Save Harmless Numerator - 19,584
Save Harmless Denominator - 18,962
Save Harmless Decimal - 1.03280 (19,584 ÷ 18,962)
Average Fall 1974 + Fall 1975 PEP % Grades 3 & 6 - .164 (16.4%)
1st Tier Aid Ratio - .654
2nd Tier Aid Ratio - .457
TAPU for Aid - 20,805

1st Tier Aid = $1,450 x .654 x 20,805 = $19,729,382
2nd Tier Aid = 50 x .457 x 20,805 = 475,394
Growth Aid = $19,729,382 + $475,394 = $20,204,776 x .024 = $484,915
Formula Aid = $19,729,382 + $475,394 + $484,915 = $20,689,691
Operating Aids Base = $16,612,231 (1977-78 Aid Payable)
Gross Minimum Aid = $16,612,231
Per Pupil Minimum Aid = 16,612,231 x 1.03280 (Save Harmless Decimal) = $17,157,112
Per Pupil Maximum Aid = 17,157,112 x [1.05 + $\frac{75,000 - 40,081}{2,000,000}$] = 1.0674 x $17,157,112 = $18,313,501
50% Increase in Aid = $20,689,691 (1978-79 aid) - $16,612,231 (1977-78 aid) = 4,077,460 x .5 = $2,038,730 + 16,612,231 = $18,650,961
110% Maximum Limit = $16,612,231 x 1.10 = $18,273,454

Applicable Aid = $18,313,501 the per pupil maximum aid. This is greater than the 110% limit, but, only the 50% increase in aid is subject to the limit.

District D: (By Aid Components)

Pupil Count for TAPU

Combined Adjusted ADA	=	18,095
PSEN	=	742
Additional Secondary	=	1,680
Additional Handicapped	=	282
Summer School	=	0
Evening School	=	6
TAPU	=	20,805

Tier 1 Aid (per pupil):

$1,450 x .654	=	$ 948.30
ADA Aid = 948.30 x 18,095	=	$17,159,488.50
PSEN Aid = 948.30 x 742	=	$ 703,638.60
Additional Secondary Aid = 948.30 x 1,680	=	$ 1,593,144.00
Additional Handicapped Aid = 948.30 x 282	=	$ 267,420.60
Evening School = 948.30 x 6	=	$ 5,689.80
1st Tier Total Formula Aid	=	$19,729,381.50

Tier 2 Aid (per pupil):

$50 x .457	=	$ 22.85
ADA Aid = 22.85 x 18,095	=	$ 413,470.75
PSEN Aid = 22.85 x 742	=	$ 16,954.70
Additional Secondary Aid = 22.85 x 1,680	=	$ 38,388.00
Additional Handicapped Aid = 22.85 x 282	=	$ 6,443.70
Evening School Aid = 22.85 x 6	=	$ 137.10
2nd Tier Total Formula Aid	=	$ 475,394.25

Tier 1 Aid	=	$19,729,381.50
Tier 2 Aid	=	$ 475,394.25
Total Aid	=	$20,204,775.75

III

BUILDING EXPENSES AID

What Are Approved Building Expenses?

The expenses connected with construction of new school buildings, additions to present buildings, and the alteration or modernization of buildings, in compliance with standards set by the Education Department are approved building expenses. For purposes of State aid the State establishes a ceiling based on the assigned capacity of the building as approved by the Department; and a per pupil cost allowance as specified in the law.

What Expenses Are Aidable?

1. Debt service payments on indebtedness incurred to finance a building project - current year.

2. Cash payments for approved building expenditures - base year.

What Is Debt Service?

Debt service is the annual expenditures for principal and interest charges on bonds or notes issued for building construction.

What Are Capital Expenditures?

Capital expenditures are those cash payments for approved building expenditures.

How Does It Work?

1. State aid is available only for school buildings and school bus garages which meet Department approved standards.

2. State aid is computed by multiplying the district's aid ratio by the approved building expenses. (FV/RWADA aid ratio).

EXAMPLE:

1. A district with average full value per pupil, an aid ratio of 49 percent, and approved building expenses of $100,000 would receive:

   $100,000 x .490 = $49,000 building expense aid

2. A district with a high full value per pupil (wealthy district), an aid ratio of .000, and approved building expenses of $100,000 would receive:

   $100,000 x .000 = 0 building expense aid

   This is unlike operating expense aid where it would be possible to obtain minimum aid or a "flat grant."

3. A district with a low full value per pupil (poor district), an aid ratio of 90 percent (maximum amount allowed), and approved building expenses of $100,000 would receive:

   $100,000 x .900 = $90,000 building expense aid

IV

TRANSPORTATION EXPENSES AID

What Are Transportation Expenses?

Transportation expenses are those incurred in transporting all pupils, living over 1.5 miles from school--to and from school, once daily. Included are expenditures for the operations of buses owned by the district, buses leased by the district under contract, and public service (common carrier) buses.

What Are Approved Transportation Expenses?

For districts owning and operating their buses, the typical expenditures are: drivers' wages, plus employers' contributions for social security, gas, oil, tires, chains, maintenance, repairs, storage, water and sewer charges, insurance premiums, tolls, and capital outlay for buses.

Some Expenses That Would Not Be Approved for Transportation Expense Aid:

Transportation for summer school, field trips, athletic trips, excursions, noon trips for lunch, shuttle trips between schools, and transporting children living less than 1.5 miles from school.

How Does It Work?

The State pays the district 90 percent of the approved transportation expense.

EXAMPLE:

A district has approved transportation expenses of $100,000 --

$100,000 x .90 = $90,000 transportation expense aid

(Note: Aid and expenses limited to a 7% increase over previous year)

V

SPECIAL CONDITIONS AFFECTING SOME DISTRICTS

A. HIGH TAX RATE AID

What Is High Tax Rate Aid?

A school district with an adjusted local tax rate greater than $20.00 per $1000 full valuation computed by dividing the district's base year total revenues (real property and nonproperty less library funds and excess general fund balance) by the full valuation of the year prior to the base year. (This aid is subject to certain limitations.)

If approved operating expense (AOE) per TAPU in the base year exceeds the State average approved operating expense per TAPU in the year prior to the base year, adjust the tax rate downward by the formula shown below. If the AOE/TAPU is the same or less than the State average, no adjustment is necessary.

$$\text{Adjusted Tax Rate} = \text{District's Tax Rate} \times \left(\frac{\text{State Average AOE/TAPU}}{\text{District's AOE/TAPU}}\right)$$

Adjusted Tax Rate cannot exceed $40.00 per $1,000 full valuation.

$$\text{High Tax Rate Percentage} = \frac{\text{Adjusted Tax Rate} - \$20.00}{\$20.00}$$

$$\text{High Tax Rate Aid Ratio} = 1.000 - \left(\frac{\text{District FV/RTAPU}}{\text{State Average FV/TAPU}}\right)$$

How Does It Work?

High Tax Rate Formula:

High Tax Rate Aid Percentage x High Tax Rate Aid Ratio x $180 x TAPU of the base year

EXAMPLES:

District A with:
- AOE/TAPU = $1,800 Base Year
- Statewide Average* AOE/TAPU = $1,900 Year prior to base year
- Tax Rate = $28.00 per $1,000 Full Valuation
- FV/RTAPU = $40,000 (Base Year -1)
- Base Year TAPU = 2,000

High Tax Rate Percentage = $\frac{28.00 - 20.00}{20.00} = .400$

High Tax Rate Aid Ratio = $1.000 - (\frac{40,000}{59,000**}) = .323$

High Tax Rate Aid = .400 x .323 x $180 x 2,000 = $46,512

District B with:
- AOE/TAPU = $2,100 Base Year
- Statewide Average AOE/TAPU = $1,900 Base Year -1
- Tax Rate = $30.00 per $1,000 Full Valuation
- FV/RTAPU = $50,000 (Base Year -1)
- TAPU = 4,000 Base Year

Adjusted Tax Rate = $30.00 $(\frac{1,900}{2,100}) = $27.14

High Tax Rate Percentage = $\frac{27.14 - 20.00}{20.00} = .357$

High Tax Rate Aid Ratio = $1.000 - \frac{50,000}{59,000 \text{ State Average}} = .153$

High Tax Rate Aid = .357 x .153 x $180 x 4,000 = $39,327.12

For aid computed for 1978-79, the districts would receive the higher of:

1) aids computed above, or
2) high tax rate aid received in 1977-78

*State average for 1976-77 AOE
**State average for 1978-79 aid

B. SPECIAL SERVICES AID FOR LARGE CITY SCHOOL DISTRICTS
(Over 125,000 Population)

What Is Special Services Aid?

The city school districts having population in excess of one hundred twenty-five thousand shall be entitled to aid for certain occupational education pupils in grades 10-12 and for handicapped pupils* who are severely disturbed emotionally, who are in classes for trainable mentally retarded, or, who are severely handicapped physically.

How Does It Work?

1. For each occupational education student in grades ten through twelve, a large city district will receive additional aid equal to $1400 minus .015 times the FV/RWADA of the district [$1400 - (.015 x FV/RWADA)] times number of occupational education students in ADA.

EXAMPLE:

3,000 ADA grades ten through twelve and a district FV/RWADA = $36,000

[$1400 - (.015 x $36,000)] x 3,000 = [$1400 - $540 local share] x 3,000

= $860 x 3,000 = $2,580,000 additional aid

2. For each severely handicapped, emotionally disturbed, or mentally retarded pupil who meets the criteria established by the law and is in a program approved by the Commissioner, the large city district will receive $4,000 minus .015 times the district's FV/RWADA.

[$4,000 - (.015 x $36,000)] x number of severely handicapped in ADA

EXAMPLE:

1,200 severely handicapped students and a district FV/RWADA = $36,000

[$4,000 - (.015 x $36,000)] x 1,200 = $4,000 - $540 local share = $3,460 x 1,200 =

$4,152,000 additional aid

*This aid may be omitted if special legislation is passed on Excess Cost Aid - Handicapped, Public Schools, during the 1978 session of the State Legislature.

C. REORGANIZATION INCENTIVE AID

What Is Reorganization Incentive Aid?

Under certain conditions districts which have reorganized in compliance with the master plan for school district reorganization since July 1, 1965, and in some instances since July 1, 1962, are eligible to receive additional aids. These are an additional 25 percent of the regular building expense aid payable and an additional 10 percent of the operating expense aid for a period of five years. Thereafter, the 10 percent additional is reduced by 1 percent each year until the additional operating aid is eliminated. Therefore, the incentive operating aid is payable over a period of 14 years, (i.e., 5 years at 10 percent, then 9, 8, 7, 6, etc.)

D. AID FOR CHILDREN WITH LEARNING DISABILITIES (LD AID)

What Is LD Aid?

The aid will be based on average daily attendance of children who meet the definition of learning disabled and the number of such children would be limited, for aid purposes, to 7 percent of the number of pupils with special educational needs, PSEN. This is one year legislation with aid to be paid during the 1978-79 school year.

How Does It Work?

$$\frac{\$400 + \text{mean salary of classroom teacher in base year } -1}{40} = \text{Gross Cost Per Pupil}$$

Gross cost per pupil - (.25 x operating aid/TAPU for current year) = Net Cost Per Pupil
Net cost per pupil x aid ratio* = LD Aid Per Pupil
Current year ADA of LD (subject to 7% limitation) x LD aid/pupil = Total LD Aid

EXAMPLES: District A with: Estimated LD pupils = 50
PSEN Pupils = 400 - limit = 400 x .07 = 28
Aid Ratio = .500
Operating Aid per Pupil = 725
Mean Salary = $15,000

*Same ratio as used for building aid except that it may not be less than .25 or more than .90 for LD aid

$\frac{\$400 + 15,000}{40}$ = $385 Gross Cost Per Pupil

$385 - (725 x .25) = $203.75 Net Cost Per Pupil

203.75 x .500 = $101.88 LD Aid Per Pupil

$101.88 x 28 (limited amount [maximum]) = $2,852.64 LD Aid

District B with: Estimated LD Pupils = 20
PSEN Pupils = 500 - Limit = 500 x .07 = 35
Aid Ratio = .600
Operating Aid Per Pupil = $870
Mean Salary = $14,000

$\frac{\$400 + \$14,000}{40}$ = $360 Gross Cost Per Pupil

360 - ($870 x .25) = $217.50 Net Cost Per Pupil

217.50 x .600 = $130.50 LD Aid Per Pupil

130.50 x 20 = $2,610.00 LD Aid

E. SAVE HARMLESS AID

What Is Save Harmless Aid?

To avoid a drastic reduction in State aid because of circumstances beyond the control of the district, legislation provides that a district may not receive less aid than it did in some previous year. In later years, it has been the previous year and the district has been given a choice of per pupil or gross dollar save harmless on operating aid.

VI

LOTTERY AID

Beginning with the 1977-78 school year, proceeds from the New York State Lottery have been used to directly support elementary and secondary education in the State. This is accomplished by paying a share of the Lottery proceeds (computed according to statutory formulas) to each school district during the fall of each school year.

A portion of the Lottery funds ($5 per resident pupil) is for the purchase of textbooks and this aid is in addition to all other operating aid paid the district. The other portion of the Lottery funds is for general operating aid purposes, and is <u>not</u> in addition to operating aid but is a part of operating aid.

VII

TEXTBOOK AID

What Is Textbook Aid?

This aid is provided to reimburse public school districts for textbooks purchased to loan to children residing in the district and enrolled in grades K-12 in any public or nonpublic school complying with the compulsory education law.

How Does It Work?

State aid is an amount equal to the actual expenditures for the purchase of textbooks, (not to exceed $15 x number of resident pupils in the district), for 1978-79 aid, $10 per pupil regular textbook aid plus an additional $5 per pupil lottery aid for textbooks.

VIII

STATE IMPACT AID

Which Districts Receive Impact Aid?

This aid is available only to those districts which experience an increase in enrollment due to the closing in whole or in part of a nonpublic school or a campus school.

How Does It Work?

The aid is computed by multiplying the new number of students enrolled, times $100, times the aid ratio. (Use the same aid ratio used for building aid.)

How Long Does It Last?

This aid is paid currently for the first two years such pupils are enrolled in the public schools.

IX

ORPHAN AID

What Is Orphan Aid?

This aid is available to schools of incorporated orphan asylum societies, in New York State, when approved programs of education are provided directly by the schools.

How Does It Work?

State aid is computed as follows: where such schools employ a duly qualified teacher and maintain a class of at least ten pupils in average daily attendance, the aid is the salary paid to each such teacher, but not to exceed $4,000 per year. If the average daily attendance of any class is less than 10, the maximum aid is $400 per ADA for such class.

The aid is paid in the year following the school year in which the approved program was operated.

X

A. EXCESS COST AID--HANDICAPPED - PRIVATE SCHOOLS

What Is Excess Cost Aid - Private Schools?

This aid is available to those school districts that have contracts with approved private schools for the education of handicapped children.

What Is Excess Cost?

Excess cost for private schools has been defined as the cost remaining after the deduction of: a) double weighted aid for the handicapped, plus b) the local contribution, from the approved tuition charge.

How Does It Work?

Tuition paid may not be more than the annual amount approved by the Education Department.

Required Contribution = { 2.0 general weighting aid, arrived at by dividing prior year operating aid received by the TAPU that generated this aid

PLUS

the local contribution, arrived at by dividing the base year property plus nonproperty tax levy by the base year WADA

Excess Cost Aid Ratio = $1.000 - \left(\frac{\text{district FV/RWADA}}{\text{statewide average}} \times .15 \right)$

Formula = Per pupil tuition paid - required per pupil contribution = Per Pupil Excess Cost
Per pupil excess cost x excess cost aid ratio = Per Pupil Excess Cost Aid

EXAMPLE:

Approved tuition paid = $4,000
Local contribution = $ 800
2.0 general weighting = 1,500
Aid Ratio = .700
Excess Cost = $4,000 - (800 + 1,500) = $1,700 per pupil
Excess Cost Aid = $1,700 x .700 = $1,190 per pupil

B. EXCESS COST AID--HANDICAPPED - PUBLIC SCHOOLS

An amount of $24 million has been budgeted for the school year 1978-79 for excess cost aid, handicapped, public schools.

No legislation for this program has been finalized at the time of preparing this publication.

Enactment of this legislation may remove the severely handicapped portion from Special Services Aid and from BOCES aid.

XI

INCENTIVE GRANTS

An amount of $10 million on a school year basis has been budgeted for incentive grants for improving pupil performance, to be provided on a competitive basis, under rules and regulations to be adopted by the Regents upon the recommendation of the Commissioner and subject to the approval of the Director of the Budget.

XII

BOARDS OF COOPERATIVE EDUCATIONAL SERVICES (BOCES)

What Are BOCES?

The boards of education and school trustees of a supervisory district, which is not part of an intermediate district, meeting at a time and place designated by the district superintendent, may, by a majority vote of their members, file with the Commissioner of Education a petition for the establishment of a Board of Cooperative Educational Services for the purpose of carrying out a program of shared educational services in the schools of the supervisory district.

What Do They Do?

The BOCES may provide, among others, the following services on a cooperative basis:

1) Itinerant Teacher Services
2) Administration and Management Services
3) Pupil Personnel Services
4) Special Education

These services are provided in areas of the State that otherwise might not have such services available to them.

What Are Itinerant Teacher Services?

Some of the subjects included might be: 1) Art, 2) Driver Education, 3) Foreign Language, 4) Industrial Arts, 5) Library, 6) Music, 7) Physical Education, and 8) Reading

What Are Administration and Management Services?

Some of the services might be: 1) consultant services, 2) coordinators and supervisors, 3) communication centers, 4) data processing, and 5) library processing.

What Are Pupil Personnel Services?

Some of the services might be: 1) child adjustment or guidance centers, 2) dental hygiene, 3) guidance director or counselor, 4) nurse-teacher, 5) attendance, 6) psychological or psychiatric, 7) social worker, 8) speech or hearing correction.

What Is Special Education?

Some of these programs might be: 1) mentally handicapped, 2) physically handicapped, 3) emotionally disturbed, 4) gifted or enrichment programs, 5) occupational and vocational education, and 6) experimental programs.

How Are They Financed?

BOCES receive State aid based on approved expenditures made in behalf of component school districts.

The costs of the approved expenditures are allocated among the component districts, such allocations being on the basis of full valuation, or, on the basis of weighted average daily attendance, as the BOCES may decide.

The calculations are made for each component district and simply added together to obtain the total amount of State aid to be paid to the BOCES.

State aid equals the difference between approved costs and a local contribution, the local contribution being a proportion of approved costs which is the same proportion as an eight mill tax rate bears to the districts' computed tax rate.

An alternative formula generates aid by multiplying approved costs by the component districts' aid ratio. (This is the aid ratio derived from FV/RWADA.)

Aid is also provided to BOCES for rental expenses and expenses for construction of facilities.

Limitations on Aid?

1) Service costs are allowed only for approved services;

2) Only the first $9,500 of an employee's salary may be used;

3) Administrative costs may not exceed 10 percent of the Boards' total expenditures.

XIII

COUNTY VOCATIONAL EDUCATION AND EXTENSION BOARDS (CVEEB)

What Are CVEEB?

The Cooperative Service Centers were concieved as a means of bringing many of the county's resources to residents within localized areas.

Educational services are made available by the county at no cost to enrollees and include basic education, occupational orientation, tutorial services, firemanics,* office occupations, and special classes conducted on a group basis.

How Are They Financed?

County boards may receive State aid for approved programs of services provided individual districts, and for the transportation of pupils to the classes or schools operated by the county board.

How Does It Work?

Aid is apportioned directly to the county board. The aid for programs of services is one-half the salary paid each teacher, director, assistant, and supervisor, but not to exceed $3,000 for each.

The aid for transportation is one-half the approved expenditures for the transportation of pupils, under age 21, to schools and classes maintained by the board.

*Fire fighting training

XIV

DISTRIBUTION OF STATE AID

The following table indicates the type and amount of general formula aid for major school districts for each of three school years.

COMPONENT PARTS OF GENERAL AID
FOR MAJOR SCHOOL DISTRICTS
SCHOOL YEAR DATA

($ MILLION)

Aid Components	1976-77	Preliminary 1977-78	Estimated 1978-79
Operating	$2,310.06	$2,376.58	$2,505.04
High Tax	10.45	10.43	11.81
Special Services	63.76	67.72	65.24
Building	209.29	214.78	211.88
Building BANS	26.00	6.62	7.64
Reorganization Incentive	10.93	8.71	8.00
Special Districts	3.03	3.25	4.00
Categorical Reading	5.00	5.00	5.00
Textbooks (Regular)	40.00	34.55	42.95
Orphans	0.32	0.39	0.39
Excess Cost - Handicapped (Private)	0.91	2.56	6.06
Supplemental Payments	26.00	10.71	10.00
SUBTOTAL	$2,705.75	$2,741.30	$2,878.01
Less 4407	- 3.82	- 9.06	- 7.04
Refund Credit	- 19.00	- 9.86	- 5.00
SUBTOTAL	$2,682.93	$2,722.38	$2,865.97
Transportation	258.24	273.56	296.80
Boards of Cooperative Educational Services (BOCES)	123.17	129.00	132.51
Boards of Cooperative Educational Services Facilities	14.10	6.11	6.26
CVEEB	0.37	0.33	0.33
Textbooks (Lottery)	--------	--------	19.51
Incentive Grants	--------	--------	10.00
(Proposed) Excess Cost - Handicapped (Public)	--------	--------	24.00
Learning Disabled	--------	--------	9.19
De-institutionalization (Five-Year Plan)	--------	--------	2.35
TOTALS	$3,078.81	$3,131.38	$3,366.92

GLOSSARY OF TERMS

A. PUPIL MEASUREMENTS

Adjusted ADA - Adjusted Average Daily Attendance. This is defined as the aggregate number of attendance days of pupils in a public school, divided by the number of days of actual session. Half-day kindergarten weight 0.50. (Not best four of eight or five of 10 periods.)

ADA - Average Daily Attendance. This is the average number of pupils present on each regular school day in a given period, an average determined by dividing the aggregate number of attendance days of all pupils by the number of days school was in session. ADA for a group of classes or schools in session for varying numbers of days is obtained by adding together the ADA for each. The best four out of eight or five out of 10 reporting periods is used in calculating ADA for RWADA. In addition, adjustments are made for the adverse effects of religious holidays on attendance.

WADA - Weighted Average Daily Attendance. This is determined by applying the following weightings to the average daily attendance: half-day kindergarten, 0.50; full-day kindergarten and grades one through six, 1.00; grades seven through 12, 1.25.

RWADA - Resident Weighted Average Daily Attendance. This is calculated by subtracting the WADA of nonresident pupils attending public school in the district from the district's WADA and adding the WADA of pupils resident in the district but attending full time a school operated by a Board of Cooperative Educational Services or a county vocational education and extension board, or another public school.

RTAPU	-	Resident Total Aidable Pupil Units. This is the sum of adjusted average daily attendance (ADA), aidable pupils with special educational needs, aidable pupils with handicapping conditions,* and aidable pupils weighted for secondary school, but does not contain aidable pupils for evening or summer school. The above items are adjusted for residence as in RWADA. (Adjusts on ADA rather than WADA).
Pupils with Special Educational Needs (PSEN or SEN)	-	The number of pupils attending the public schools of the district with special educational needs are those determined by the percentage of pupils below minimum competence as measured by third and sixth grade pupil evaluation program tests (fall 1974 and fall 1975 average in reading and mathematics). This percentage is multiplied by the district's adjusted ADA to produce the number of eligible pupils for weighting - additional weight for eligible pupils 0.25 pupil units.
Pupils with Handicapping Conditions	-	The number of pupils with handicapping conditions are those pupils who are trainable mentally retarded, educable mentally retarded, visually impaired, hearing impaired, physically handicapped, severely speech impaired, or emotionally disturbed, as defined by the Commissioner and who attend district-operated special educational programs which meet criteria established by the Commissioner - additional weight 1.0 pupil units.
Summer School Pupils	-	The number of pupils attending approved programs of instruction operated by the district during the months of July and August of the base year in accordance with the Commissioner's Regulations - weight 0.12.

*"Big 5 Cities" include severely handicapped pupils used for special services aid.

Evening School Pupils	-	The number of pupils in attendance during the evening hours in a program approved by the Commissioner leading to a diploma or equivalency diploma. These programs during sessions which are the equivalent length of a half-day session as defined by the Commissioner - weight 0.50.
Secondary School Pupil Weighting	-	1) The ADA of pupils in grades seven through twelve for whom a district will receive an additional apportionment - weight 0.25. 2) The ADA of pupils in grades seven through twelve classified as pupils with special educational needs (unweighted) for whom a district will receive an additional weighting of 0.15.
Total Aidable Pupil Units (TAPU)	-	Total Aidable Pupil Units is the measure on which formula aid is computed. It includes adjusted Average Daily Attendance, aidable pupils with special educational needs, aidable pupils with handicapping conditions, aidable summer school pupils, aidable evening school pupils, dual enrollment, and additional pupils weighted for secondary school.

B. WEALTH MEASUREMENTS

Full or Actual Valuation (FV)	-	This is determined by dividing the assessed valuation of taxable real property by the equalization rate of the city, town, or village that makes up the school district. The quotient is generally a larger figure than the assessed value. Assuming that the equalization rates have been accurately established, real property of identical value in separate but similar communities of the State, which had been assessed by diverse local standards, would have the same full valuation.
Full Valuation per RWADA (FV/RWADA)	-	Full Valuation per Resident Weighted Average Daily Attendance. This is determined by dividing the full value of the district by the resident weighted average daily attendance of the district, it is a per pupil measurement of wealth. (This measure used for Building Aid, BOCES Aid, State Impact Aid, Special Services Aid, and Learning Disabled Aid.)
Full Valuation per RTAPU (FV/RTAPU)	-	Full Valuation per Resident Total Aidable Pupil Units. This is determined by dividing the full value by the resident total aidable pupil units of the district, it is a per pupil measurement of wealth. (This measure used for Tier 1, Tier 2 aid, and high tax rate aid.)
Statewide Average Full Valuation	-	a) Full valuation of the State is divided by the weighted average daily attendance of the State. It is used with districts' full value per RWADA wealth measure. b) Full valuation of the State is divided by the total aidable pupil units of the State. It is used with districts' full value per RTAPU wealth measure. c) This measure is determined annually.

$$\text{Aid Ratio (RWADA)} = 1.000 - (\text{minus}) \left[\frac{\text{District FV/RWADA}}{\text{State Average FV/WADA}} \times .51 \right]$$

This aid ratio used for computation of: 1) Building Aid, 2) State Impact Aid, 3) Excess Cost Aid, Handicapped, Private Schools, and 4) Boards of Cooperative Educational Services. The aid ratio represents the portion of the ceiling or expenditure shared by the State.

$$\text{Aid Ratio (RTAPU) (Tier 1 Aid, 1st Ceiling)} = 1.000 - (\text{minus}) \left[\frac{\text{District FV/RTAPU}}{\text{State Average FV/TAPU}} \times .51 \right]$$

The State aid ratio, Tier 1 Aid (1st Ceiling), represents that portion of the ceiling which the State will pay. A school district with FV/RTAPU equal to the State average FV/TAPU would have an aid ratio of .490.

$$\text{Aid Ratio (RTAPU) (Tier 2 Aid, 2nd Ceiling)} = 1.000 - (\text{minus}) \left[\frac{\text{District FV/RTAPU}}{\text{State Average FV/TAPU}} \times .80 \right]$$

The State aid ratio, Tier 2 Aid, (2nd Ceiling), represents that portion of the ceiling or expenditure which the State will pay. A school district with FV/RTAPU equal to the State average FV/TAPU would have an aid ratio of .200.

In all three cases, districts with full valuation per pupil less than the average will generate more aid; districts with full valuation per pupil more than the average will generate less aid.

C. LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS

Current Year	-	Is the school year in which the aid is paid.
Base Year	-	Is the school year prior to the current year.
Local Levy	-	The local levy is the total amount of money to be raised locally by all property and nonproperty taxes.
Tax Rate (Regular)	-	The tax rate is the local levy divided by the full value for the same year. It is usually shown as dollars per $1,000 of full value.
Tax Rate for High Tax Rate Aid	-	The tax rate for high tax rate aid is the local levy for the base year for school purposes other than library purposes and exclusive of any balances in the general fund at the end of the base year divided by the district's full value for the year prior to the base year. This rate is adjusted downward if the district AOE exceeds the average for the year prior to the base year.
Approved Operating Expenditures (AOE)	-	Operating expenses for the day-to-day operation of the school. Not included are: capital outlay and debt service for building construction, transportation of pupils, expenditures made to purchase services from a board of cooperative educational services or county vocational education and extension board, tuition payments to other districts, and expenses for programs which do not conform to law or regulation. Money received as Federal aid revenue, proceeds of borrowing and State aid for special programs are also deducted from total annual expenditures when computing approved operating expenditures.
Approved Operating Expenditures per TAPU (AOE/TAPU)	-	This figure is obtained by dividing the approved operating expenditures by the total aidable pupil units for the same school year (base year).

Provisional Growth Index - This is the percent of increase in ADA from the preceding (base) year to the current year (the year in which the aid is paid). It is based on the attendance of each year. A final growth index is calculated at the end of the year to reflect actual growth using final year data.

Save Harmless - 1) Total dollar save harmless is the dollar amount of aid received the previous year. (Generally, one year legislation.)

or

2) Per pupil save harmless is the per pupil amount of aid received in the previous year (save harmless fraction times operating aids base). (This was formerly permanent law but is now one year legislation.)

Save Harmless Fraction:

$$\frac{\text{Base Year TAPU x Growth Index}}{\text{Year Prior to Base Year TAPU x Growth Index}}$$

(additional secondary weighting not included in the fraction)

Operating Aids Base - The prior year's operating aids received by the district. (Example: 1978-79 aid - current year; 1977-78 = operating aids base for use in computing or limiting 1978-79 aid).

Flat Grant (Taper Formula) (Alternate Aid) - $360 + .001 ($101,000 - FV/RTAPU of the district) = taper formula; those districts above $101,000 FV/RTAPU receive $360.

Ceiling Amounts (1978-79 Aid) (Expense Per TAPU) - $1,450 for 1st tier aid (regardless of expenditure).
$1,500 for 2nd tier aid or districts' expenditures, the lower of the two.

Aid Limitations (1978-79 Aid) - Limits have three parts: 1) 105% on modified per pupil basis; 2) At least 50% of increase in operating aid from 1977-78 to 1978-79; 3) 110% limit for those districts subject to 50% of increase in operating aid option.

Aid Limitations Computations
(1978-79 Aid Only)

- 1) 105% on modified per pupil basis
   a) if FV/RTAPU = $75,000 or more:
      (105%) (1977-78 operating aid)
      (save harmless fraction or index)

   b) if FV/RTAPU = less than $75,000:

$$\left[(105\%) + \frac{(\$75{,}000 - \text{district FV/RTAPU})}{\$2{,}000{,}000}\right]$$

   x (1977-78 operating aids) (save harmless fraction or decimal)

2) 50% of increase (1978-79 operating aid - 1977-78 operating aid); this amount to be added to 1977-78 operating aid

3) the higher of #1 or #2 but #2 subject to overall limit of 110%

APPENDIX

Contents Include:

1. Other Aids Available to Some Districts (A - J). (pages 63-65).

2. Federal Aid Section. (pages 66-68).

OTHER AIDS AVAILABLE TO SOME DISTRICTS

A. High School Equivalency Aid

This aid is intended to support the establishment and operation of high school equivalency classes and testing for out-of-school persons without high school diplomas.

(Contact: Division of Continuing Education
New York State Education Department
518: 474-5808)

B. Educational TV Aid

This aid is intended to encourage and stimulate the development and use of educational TV in the schools. The aid is 50 percent of the approved cash expenditures for the acquisition and installation of equipment and a sliding scale percentage of the approved cash operating expenditures.

(Contact: Division of Research and Educational Communications
New York State Education Department
518: 474-5825)

C. Bilingual Education Aid

This aid is intended to give assistance to school districts and BOCES for developing and operating bilingual programs for pupils with limited English-speaking ability.

(Contact: Bilingual Education Unit
New York State Education Department
518: 474-8775)

D. Pre-Kindergarten Aid

The purpose of this program is to demonstrate the feasibility of public schools providing a sound developmental experience in support of the growth of three and four year old children from disadvantaged environments.

(Contact: Bureau of Child Development and Parent Education
New York State Education Department
518: 474-4947)

E. Literacy and Basic Education For Public Assistance Recipients (WEP)

This aid is to support programs for providing literacy and basic education for those who are 16 years of age or older and who do not attend a regular public or private school and who receive public assistance.

(Contact: Bureau of Basic Continuing Education
New York State Education Department
518: 474-8700)

F. Migrant Education Aid

This program is designed to provide summer school learning and remedial opportunities to the children of seasonally employed migrant families.

(Contact: Bureau of Migrant Education
New York State Education Department
518: 474-6109)

G. Nonoperating Districts (100% Contracting Districts)

General aid for a district not maintaining a school, and contracting for the education of its children, is based on approved operating expenses and transportation expenses. In this case, tuition is considered an approved operating expense. The aid is calculated by deducting from operating and transportation expenses a local contribution expressed as a tax rate per $1,000 of full valuation. The tax rate is the higher of (a) the tax rate of the receiving district(s) with the highest rate, or, (b) $10 per $1,000 of full valuation.

H. Districts With Less-Than-8 Teachers

General aid for districts employing fewer than eight teachers is based on operating expenses and transportation expenses only. Operating expenses and operating expenses aid are computed just as they are for eight-or-more-teacher districts. Approved operating expenses have a ceiling which cannot exceed the sum of: a) $4,500 times the number of full-time teachers employed during the base year, and, b) the base year WADA multiplied by $60 plus an amount computed by multiplying the base year WADA by $.90.

Transportation expenses are determined in the same way as for eight-or-more-teacher districts. Transportation expenses aid is calculated by multiplying the expenses by the district's aid ratio. When local revenue raised by tax for school purposes is less than $9.00 per $1,000 of full valuation, the apportionment is reduced by the difference between the local revenue and the amount that would have been raised by the $9.00 tax rate. There is an amount of "save harmless" aid which is related to the amount of aid such districts received in 1964-65.

I. Nonpublic School Aid

This aid is available to certain nonpublic schools which provide up to six different services which are mandated by the State. The services for which the eligible schools receive reimbursement of actual costs are: 1) pupil attendance reporting, 2) preparation of Annual Secondary School Report, 3) Administration of Basic Competency Examinations, 4) Administration of Examinations for Pupil Evaluation Program, 5) Preparation of Basic Educational Data Systems Information, 6) Administration of Regents Examinations. If accounting records are inadequate to show the total costs of these services, each nonpublic school must display a procedure for developing the costs. (As of November 1, 1977, a court decision is pending relative to whether religiously affiliated schools are eligible for this aid. No religiously affiliated nonpublic school, as a result, has been paid as of this date.)

J. Categorical Reading Aid

To improve reading performance in a school district of a city with a population of one million or more, aid based on the number of pupils with special educational needs will be made available and allocated on a borough basis.

An amount of $12.00 multiplied by the number of pupils with special educational needs. In no event may the total aid for the school year exceed $5 million.

FEDERAL AID

Since Federal aid has tended to develop without an overall plan, acting rather in response to immediate national concerns for education, various methods have been developed for the allocation of Federal funds by the Federal Government. The three methods most generally used are as follows:

Method A - Allocation of Federal funds directly to State educational agency from United States Office of Education and amount of local educational agency's allocation computed by the State educational agency under formula stipulated in Federal law and Federal Rules and Regulations.

Method B - Allocation of Federal funds directly to State educational agency from United States Office of Education but amount of local educational agency's allocation not specified by Federal agency. The unused portion of local educational agency's allocation is available for use by another local agency.

Method C - Allocation of Federal funds not directly to State educational agency but to local educational agency from United States Office of Education based upon individual Federal projects. The unused portion of local educational agency's allocation is not available for use by another local agency or project. Federal funds may or may not be channeled through the State educational agency.

The following table contains appropriations of Federal funds for the year 1977-78 by program category:

Program	Basic Provisions	1977-78 Appropriations
ESEA Title I, Part A	Programs serving educationally disadvantaged children in school attendance areas having high concentrations of children from low income families (Method A)	$202,496,411
ESEA Title I, Part B	Special incentive grants to meet the special educational needs of educationally disadvantaged children in selected school districts (Method A)	$ 3,678,564
ESEA I (Neglected and Delinquent)	Programs to meet the educational needs of delinquent and neglected children in State institutions (Method A)	$ 3,549,449
ESEA I (Handicapped)	Programs to meet the educational needs of children in State-supported schools for the handicapped (Method A)	$ 12,227,010
ESEA Title I (Migrant)	Programs serving children of seasonally employed migrant parents (Method B)	$ 3,031,912
ESEA IV, Part B	Programs to provide school library resources, textbooks, and other instructional materials; instructional equipment and minor remodeling; testing, counseling, and guidance services in elementary and secondary schools (Method A)	$ 11,632,432
ESEA IV, Part C	Programs to improve leadership resources of State and local education agencies; programs to support innovative and exemplary projects, including nutrition and health services and dropout prevention (Method B)	$ 14,640,122
Education of the Handicapped Act, VI, Part B	Programs designed to strengthen educational and related services for handicapped children (Method A and B)	$ 14,951,364
Comprehensive Employment Training Act I, Section 112	Supplementary vocational education assistance projects designed to provide needed vocational education services in areas served by prime sponsor designed in accordance with CETA legislation (Method B)	$ 8,590,199
Higher Education Act, Title I	Projects in community service and continuing education (Method B)	$ 1,189,605

Program	Basic Provisions	1977-78 Appropriations
Adult Basic Education	Full reimbursement of expenditures for the organization and operation of Adult Basic Education classes (Method B)	$ 6,602,287
Welfare Education (Title XX Social Security Act)	Full reimbursement for the operation of classes for undereducated welfare adults (Method A)	$ 2,208,050
Library Services and Construction Act, Title I	Grants to library systems for performance of system-initiated projects; scholarship grants to individuals (Method B)	$ 4,066,203
Child Nutrition Act*	Section 3 - Reimbursement for milk served to children (Method A)	$ 13,000,000
	Section 4 - Grants for school breakfast programs (Method A)	$ 12,000,000
	Section 5 - Grants for food service equipment (Method A)	$ 2,678,855
National School Lunch Act*	Food distribution and cash reimbursement for school lunch programs (Method A)	$130,000,000
Vocation Education Title I (A-I)	Grants to maintain, extend and improve existing programs and develop new programs of vocational education (Method B)	$ 40,109,681
Public Law 874	Financial aid for school districts in areas affected by Federal activity. Categorical assistance for compensatory education for districts with sufficient, eligible low rent housing pupils (Method C)	$ 30,000,000
	TOTAL APPROPRIATIONS	$516,652,144

*Funded through United States Department of Agriculture